

# **ADMINISTRATION OF DENTIST LOAN REPAYMENT PROGRAM**

**Fiscal Year 2012-13**

**Division of Child and Family Health**

**Office of Family Health Services**

**Virginia Department of Health**

## **Introduction:**

In 2000, the Virginia General Assembly passed legislation requiring the State Board of Health to establish a Dentist Loan Repayment Program with funds appropriated for this purpose. State funding for this program was eliminated in state fiscal year 2009 during budget reductions.

The Virginia Department of Health (VDH) is currently receiving federal funding through the Health Resources and Services Administration Grant to States to Support Oral Health Workforce Activities, to provide loan repayment to dentists for fiscal years 2014-2016. This funding is authorized by Part D of Title III of the Public Health Service Act as amended, Subpart X, Primary Dental Programs, Section 340 G (42 U.S.C. 256g). These grants are intended to assist States and support projects that address the oral health workforce needs of underserved urban and rural populations. These grant funds may not be used to take the place of current funding for these activities nor can they be used for construction or for providing direct patient services.

This document provides guidance for the administration of the current dentist loan repayment program. Administration of this program is conducted in accordance with all applicable federal law and regulations, Code of Virginia §32.1-122.9:1, and “Regulations Governing the Dental Scholarship and Loan Repayment Programs” (12 VAC 5-520).

This is a separate program from the Federal-Virginia State Loan Repayment Program which started accepting applications for dentist loan repayment in 2010. That program, administered by the Office of Minority Health and Health Equity, Virginia Department of Health, requires a dollar for dollar match from the practice site. An applicant may only apply to one program and should consult with the program coordinators to determine the best match for qualified applicants. For more information about this program please go to:  
<http://www.vdh.state.va.us/healthpolicy/primarycare/incentives/loanrepayment/index.htm>.

## **Definitions:**

Designated shortage area means a federally designated dental Health Professional Shortage Area (dHPSA) or an area “designated by the applicable State as having a dental health manpower shortage”. In Virginia, a qualifying dental shortage area is a geographic area designated by the State Board of Health as a county or city in which the ratio of practitioners of dentistry to population is less than that for the Commonwealth as a whole or a designated state facility, such as VDH local health department clinics. A list of dHPSA locations in Virginia can be found at <http://bhpr.hrsa.gov/shortage/> and click on HPSA by State and County (left hand column).

## **Grant Requirements:**

- 1) Dentists must practice in a designated shortage area as defined above.
- 2) Public health dental applicants will receive preference over private practicing dental applicants.

- 3) Private practicing dentists applying for this program **must** be treating patients in a Dental Health Professional Shortage Area (dHPSA).
- 4) The grant application states that recipients of this loan repayment program complete the Cultural Competence Health Practitioner Assessment an on-line free program available at <http://www11.georgetown.edu/research/guchd/nccc/features/CCHPA.html>.

### **Virginia Department of Health Requirements:**

Key requirements consistent with the Code of Virginia and state regulations (12 VAC 5-520) include:

#### An applicant must:

- Accept patients with government-sponsored insurance programs (e.g., Medicaid, FAMIS) and not limit the number of those patients in their practice.
- Be a graduate of an accredited dental school in the United States.
- Have a valid, unrestricted license to practice dentistry in Virginia.
- Be within five years of graduation from an undergraduate or postgraduate dental program.
- Have existing loans accumulated as a result of undergraduate dental education.
- Practice general or specialty dentistry full-time in an approved site within Virginia for the contract term (1 year).

#### Ineligibility:

- Persons who received Virginia Dental Scholarship Awards or Loan Repayment Awards are not eligible for loan repayment for the years that they received these awards.
- Persons who accepted Exceptional Financial Need (EFN) and Financial Assistance for Disadvantaged Health Professions Students (FADHPS) scholarships are not eligible for the Dentist Loan Repayment Program for the years that they received these awards.
- Persons with obligations to the military or other federal agencies may not apply until after they have fulfilled these obligations.

### **Award Amount:**

The loan repayment award is \$20,000 annually. Individuals may receive a maximum of two awards and must reapply each year for an award. The dentist must sign a contract for each year of award on an annual basis.

Reimbursement is by a two-party check made out to the dentist and loan holder. The check is mailed to the dentist with specific instructions that it must be deposited to the specified lender. Within three weeks, confirmation that the check was deposited to the lender must be sent by the dentist to VDH.

### **Default and Repayment:**

Dentists who fail to comply with the terms of their contract will make repayment to the state according to the terms of their contract and state regulations. If a dentist fails or refuses to practice in an approved designated shortage area, he must repay all loan repayment awards, including penalty and interest.

**Tax Liability:**

Loan repayment awards made under this program are exempt from federal and state taxes. This information is provided to the VDH Accounting Office each December.

**Application Process:**

The application and instructions are available at <http://www.vahealth.org/dental/>. Applicants are required to undergo a background check by the Virginia State police at their own expense (about \$15.00). Completed applications must be mailed to VDH. Electronic or faxed applications are not accepted.

Recipients are selected by the VDH Dental Health Programs Manager and a designated Dental Loan Repayment Program Coordinator. Applications are evaluated for practice location and type, Medicaid productivity, length of time since graduation or completion of specialty training, types and amount of educational loans, and all the other requirements.

**Monitoring:**

VDH uses quarterly reports from DentaQuest to monitor Medicaid productivity. Recipients should be meeting the statewide average in productivity. Any potential issues regarding acceptance and treatment of Medicaid patients will be addressed with the dentist.

Loan repayment renewal is not automatic. Dentists must submit a Verification of Practice Form and updated paperwork from their lender that verify the status of their debt. Selection is based on the same criteria as for initial applicants.

Upon successful completion of the contract, and the original contract is returned as "Paid in Full" to the dentist and a copy is kept in the file.

**Program Contact:**

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